

KIDSCARE ELIGIBILITY DETERMINATION

Request for Proposal (RFP) YH07-0044

QUESTIONS AND RESPONSES - Round 7

Question #	Section	Paragraph #	Page #	Question	Response
1	Scope of Work	2.2	5	The KidsCare manual describes a process to create hard copy case records. Will the vendor be required to create and maintain hard copy case files?	No.
2	Scope of Work	2.2 and 5.4	6 and 15	Section 5.4 of the RFP calls for optional Outreach and Web site services. Both currently exist, though on a smaller scale and are operated by AHCCCS. Does AHCCCS seek to no longer directly provide these, or have the Contractor take these over, or supplement them?	This section of the RFP has been deleted (see solicitation amendment 1).
3	Scope of Work	2.4.1	6	During the ACE demo we observed that other AHCCCSA systems can be accessed via ACE. Could the State provide a list of all the systems that are able to be searched or queried from the ACE system?	AHCCCS Eligibility and Enrollment screens from PMMIS, Internet site links that help in determining eligibility, i.e., Vital Stats. ACE also automatically searches the PMMIS eligibility and the premium billing subsystems for specific information when tests are run.
4	Scope of Work	2.4.1	6	During the ACE demo we were told that there are several canned reports available from the ACE system. Could the State provide a list of ACE reports that would be available to the contractor and whether the contractor would be able to make requests for new or adhoc reports?	The following are reports available in the ACE reporting facility. 1. Initial Applications Received By Application Date 2. Initial Applications Dispositioned 3. Application Timeliness 4. Renewal Dispositions 5. Renewal Timeliness 6. Active Caseload Summary – By Program 7. Active Caseload by Category Summary 8. Denials By Reason Code 9. Disc. By Reason Code 10. Productivity Worker Summary 11. Productivity Financial State Summary 12. Productivity Average State Summary Regarding ad hoc reports, see the response to Round 2, question 3.
5	Scope of Work	3.1	9	What is the volume of in-person applications received?	An estimate of 20 in-person applications are received per day.
6	Scope of Work	3.1.1	9	How are the scanned images accessed when processing applications?	Scanned images are accessed via the FORTIS application. FORTIS is AHCCCS' imaging retrieval/management system.
7	Scope of Work	3.1.1	9	Would the State consider allowing the vendor one extra business day to scan all applications and documents received before the clock started on the registration process? The idea is to work from the images rather than the paper.	Yes, one business day may be used for scanning with registration completed the next day. KidsCare staff currently do register applications from images, and not from paper.
8	Scope of Work	3.1.1	9	Do unit techs and eligibility workers process using the paper application and supporting documents or do they use the electronic image in Fortis?	They work from images.
9	Scope of Work	3.1.1	9	What percentage of applications have incomplete or missing information? Please include applications with missing support documentation in this percentage.	KidsCare staff estimate that 60% of applications received are incomplete.

10	Scope of Work	3.1.3	10	When a Healthy-e-Arizona application is submitted, what discrepancies between the "application and information contained on a previous applications or other systems" would cause the application to not automatically register in ACE?	See Round 5, question 3.
11	Scope of Work	3.1.2	10	How many applicants meet the requirements for an expedited eligibility determination each month?	Approximately 5 cases per week meet the requirements for expedited eligibility determination.
12	Scope of Work	3.1.3	11	What are the current communication methods with application assisters. What is the volume and frequency of contact?	Direct contact from HEA sites is infrequent. When contact is made it is primarily by phone; the use of emails is rare.
13	Scope of Work	5.2	14	Can the State provide more information about the CCTS system used to track customer inquiries? Is this system also used to document calls received via the customer service line?	The Client Contact Tracking System (CCTS) is a mainframe program that was specifically created for customer service representatives to log and track customer contacts. It is capable of collecting the following information: Caller Name, Caller phone number, dates of service, Provider name and ID, AHCCCS ID, type of call code, user ID of who took the call, and the start and end times. It also has a large area for free form comments. It has the capability to transaction travel from CCTS to other PMMIS eligibility and enrollment screens. It has the capability of searching on the contacts by various criteria. Multiple departments in AHCCCSA use this contact tracking system including the customer service staff that received KidsCare hot line calls.
14	Scope of Work	5.2	14	What volume of inquiries arrive per month and what percentages are received via email, US Mail, or telephone?	The Communications Center receives about 2140 phone requests for applications a month. The KidsCare office receives an estimated 100 calls per week with general information requests, and 50-60 emails per week. The majority of the emails are application requests, and the remainder may include requests for general information or updates on specific cases.
15	Scope of Work	5.3	15	Can the bidder get copies of all materials, forms and letters required to be printed and mailed by the contractor?	See the Bidder's Library under Forms.
16	Scope of Work	5.3	15	What letters and or forms will the contractor be required to mail and what are the average annual and monthly quantities of each?	See Round 1, question 5 and Round 2, question 36.
17	Scope of Work	6.2	17	The contractor is required to appear, on behalf of the State, at appeal proceedings. Is appearance via phone acceptable?	In each individual case, the Contractor must file a request with the Office of Administrative Hearings to appear telephonically and must do so within the timeframes established by OAH rules. It is up to the individual Administrative Law Judge to grant or deny the request.
18	Scope of Work	6.2	17	The contractor is requested to provide legal assistance and representation as necessary in the appeal hearing process. How often are the occurrences of legal assistance? Are there established and/or required resources for the legal assistance?	See Round 2, question 43.
19	Scope of Work	8.2	20	Could the State provide KidsCare audit results for the last three years?	Currently there have been no federal quality control or Perm audits of KidsCare.
20	Scope of Work	10.1.2	23	Could the State provide detail on the current benefit model for Unit Techs and Eligibility Workers? Specifically we would like to know about the Health & Welfare/Ancillary Benefit Structure (medical, dental, vision, FSA, Rx, LOA, etc.) and the Defined Benefit/Defined Contribution offerings	See Round 1, question 12.

21	Scope of Work	10.1.2	23	What are the exact numbers of State staff (by position) that will be displaced by this contract?	See Round 1, question 6.
22	Scope of Work	10.1.3	23	What are the current production standards for AHCCCS employees processing applications, renewals and inquiries? What percentage of staff meet the standards?	See Round 3, question 3.
23	Scope of Work	10.1.3	24	What are the current roles and responsibilities of the Unit Techs and Eligibility Workers? Can we get some general information on: Pay Grades/Salaries, Exempt vs. Non-Exempt, Length of Service w/Stat, and Education/Training?	See the Bidder's Library under Staffing.
24	Scope of Work	10.1.3	24	What is the current pay model used for Unit Techs and Eligibility Workers. Is it lump or performance pay? Any additional detail would be appreciated.	See the Bidder's Library under Staffing.
25	Scope of Work	10.1.1	23	With the exception of the key personnel who must be located within 10 miles of the office, can some of the SCHIP functions be located out of State?	Yes, but the bidder should note the requirement in 3.3.4.
26	Special Instructions	3.3.11	46	What is the identified churn rate during the last 12 months?	AHCCCS ran an adhoc report that identified KidsCare children who were discontinued between 9/1/06 and 2/28/07. Of those identified, 3316 became KidsCare eligible again in three months or less, and 1658 became eligible for KidsCare again in more than three months.
27	Uniform Terms & Conditions	47.1	55	Is it the States intention to include an established notice and cure period? We recommend not less than 30 days after the acceptance of a corrective action plan.	See Special Terms and Conditions, paragraph 19.
28	Uniform Terms & Conditions	47.1	55	Default will cause the contractor to provide assurance of performance under any and all other contracts. What does this mean? Does it mean an additional performance bond? If so, what are the details? If adequate assurances are not received, the State can seek damages for "anticipatory breach." Why does the State want damages for harm that hasn't actually occurred? What are adequate assurances and what cost is associated with providing them?	This means if you had other contracts with AHCCCSA and you were in default of this contract, AHCCCSA could ask you to guarantee your performance by perhaps adding a bonding requirement to the existing contract.
29	Special Terms & Conditions	1.7	57	Would the State consider changing the initial term of the contract from one (1) initial year to three (3)? This will allow the contractor to recoup the startup costs amortized according to page 43 paragraph 3.1.2.	See solicitation amendment 1 and response to Round 1, question 18.
30	Special Terms & Conditions	1.7	57	Four (4) one-year options may be exercised by the State unilaterally. However, there is conflicting language that suggests the parties must agree. Could you clarify that the exercise of option years MUST be subject to mutual agreement per a jointly executed amendment.	The State may issue unilateral amendments and if the Contractor objects, they must notify the State within 60 days of the date of the amendment.
31	Special Terms & Conditions	2	58	The State may obtain like goods and services from another source. Is it the State's intention to shrink the scope of work documented in this RFP and give anticipated work to another contractor?	No, it is not.

32	Special Terms & Conditions	8	59	The language states the contractor warrants that services will conform to the requirements of the contract and that acceptance does not relieve the contractor of this warranty obligation. Would the State be open to language modification that the contractor warrants that the services will be performed professionally and in a manner consistent with industry standards and that all implied warranties including the implied warranties of merchantability and fitness for a particular purpose?	No, the Warranty of Services clause will not be changed.
33	Special Terms & Conditions	20.1	51	The contractor is responsible for the vicarious liability of the State. This is a legal term of art not usually used in this manner. What is the State's intent?	Each party to this contract is responsible for its own negligence.
34	Special Terms & Conditions	15	61	The RFP requires the Contractor to establish a fidelity bond to insure against criminal conduct by the Contractor. Since a fidelity bond is typically more limited than a Commercial Crime Policy and a Commercial Crime Policy generally covers employee dishonesty via Coverage Form A, is a commercial crime sufficient?	No, the Contractor must comply with the fidelity bond requirements set forth in the RFP.
35	Special Terms & Conditions	15	62	Would AHCCCS permit a commercial crime policy that requires 30 days advance notice to cancel?	No.
36	Special Terms & Conditions	16	62	Performance bond currently survives contract for one year. In order to decrease contract costs, would the State be willing to modify language to no survival and to decrease by an equal amount quarterly and apply only to the initial term; not the option years? We also recommend that the State should be able to move against the bond ONLY after a court or arbitrator has determined that Contractor is in default, that the default had not been cured according to the contract terms, and actual damages have been awarded.	No.
37	Special Terms & Conditions	17.1.1.1	63	If the vendor requires that subcontractors are liable to the same provisions per the Prime Contract with AHCCCS, could the vendor insure activities performed or arising by the vendor alone rather than on or behalf of the vendor?	No, you as the prime are still the contract holder and are held responsible.
38	Special Terms & Conditions	17.5	65	Could the vendor supply endorsements for review via the Certificate of Insurance (description section)?	No, certificates of insurance are required.
39	Special Terms & Conditions	17.5	65	Could the vendor supply the State of Arizona certified copies of insurance policies in the event of a claim arising as a result of the contract?	Certified true copies may be acceptable.
40	Special Terms & Conditions	17.6	65	If the vendor requires that all subcontractors are subject to the minimum insurance requirements stated in the RFP, could the vendor's insurance certificate be exempt from including subs?	No, you as the prime are still the contract holder and are held responsible.

41	Special Terms & Conditions	18	65	AHCCCS may perform reviews without notice and the scope of the review is not adequately tailored. It is not clear whether or not the Contractor is obligated to implement recommendations resulting from the audit that are not directly tied to performance against requirements. Is it the State's determination that they should have the unilateral right to force implementation of any recommendation that increases cost to contractor that is out of scope with the current requirements?	The Contractor is obligated to be in compliance with the terms of the contract. If a review identifies areas of noncompliance with the contract terms, the Contractor will be required to develop a Corrective Action Plan (CAP) to correct any identified deficiencies. As a result of the review, AHCCCSA may make recommendations as to how the Contractor may improve its performance, but the Contractor is not obligated to adopt those recommendations if it feels there are other approaches that it may adopt that will effectively and appropriately address the identified deficiencies. If AHCCCSA identifies any necessary changes that are outside of the scope of the contract, AHCCCSA would negotiate these changes with the Contractor and amend the contract accordingly. AHCCCSA would not unilaterally force the Contractor to implement changes that are outside of the scope of the contract.
42	Special Terms & Conditions	19.4	67	Would the State be open to modifying the language in this section so that the Contractor is not liable unless 1) sanctions are actually assessed, 2) they were assessed solely due to the Contractor's willful misconduct or gross negligence, and 3) they are subject to a reasonable cap?	No.
43	Special Terms & Conditions	22	68	There seems to be some conflict between this section and Sections 19.1 and 19.2 insofar as termination may be immediate. There is no mention of a corrective action plan or cure process as there is in Section 19. Could the State please clarify the intent. Also, "failing to make progress" (22.2 d.) should not constitute an act of default insofar as a default has not actually occurred.	Section 19 would be the first administrative steps that would be taken prior to enacting Contract Cancellation.
44				<p>The contractor will be liable for all excess costs and liquidated damages until replacement services are provided. We recommend striking this section in its entirety. In the alternative, we would like to strike reference to LDs and modify</p> <p>The Contractor will be responsible for the difference between its price and the cost of procuring replacement goods. If this obligation remains, there should be a reasonable and realistic cure period, any liability for additional costs should be capped, and the State should be obligated to use best efforts to find a vendor at a cost equal to or less than the current contractor.</p> <p>In section 23.2, the contractor is liable for all transition costs if it chooses not to renew. We recommend that this section (23.2) be deleted in its entirety.</p>	Section 23.2 will not be changed.
45	Attachment B	Table B.1	84	What are some examples of costs described as Employee Related Expenditures?	Employee Related Expenditures include: FICA Taxes, Medical and Dental Insurance, Life Insurance, Long-Term Disability, Unemployment, Workers' Compensation, Retirement and others.
46	Attachment B	Table B.1	84	What are some examples of costs described as Non-Capital Equipment	Non-Capital Equipment is defined as equipment with a cost less than \$5,000. It would include PCs, furniture, telephones, and others.
47	Attachment B	Table B.1	84	Does the grand total for Proposed Privatization account for the contractor's fee?	The grand total for Proposed Privatization represents what AHCCCS budgeted for the Title XXI eligibility programs. The Contractor's fee will be based on the pricing provided in the RFP.

48	Attachment B	Table B.1	84	Attachment B gives the FY 2007 spend plan. Since this contract would not start until 2008, is there a detailed spend plan we can get for FY 2008? If not, could we get an appropriate escalation percentage to use?	See Round 1, question 8.
49	n/a	n/a	n/a	There is currently no language in the RFP that limits the liability of the contractor. Upon award of the contract, would the State be willing to negotiate some limitation of liability with the winning contractor?	No, the State would not be willing to negotiate some limitation of liability with the winning Contractor.
50	n/a	n/a	n/a	We greatly appreciated the opportunity to view a demo of ACE. Would the State allow a demo of the entire eligibility process? There were many systems we did not see and it is important to know how the workers interact with these systems. We are particularly interested in Fortis and CCTS.	A demonstration of Fortis and CCTS was held on August 13 for all potential bidders. AHCCCSA does not plan to hold a demo on the entire eligibility process.